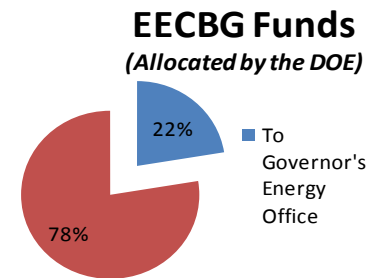


Governor's Energy Office Strategic Goals and Objectives for the American Recovery and Reinvestment Act Funding of the Energy Efficiency and Conservation Block Grant

OVERVIEW

The goal of the U.S. Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG) program is to reduce fossil fuel emissions and provide direct and immediate local investment resulting in business and community development, and widespread adoption of energy efficiency and renewable energy resources.

In total, the State of Colorado will receive approximately \$43 million through the American Recovery and Reinvestment Act (ARRA) funding of the EECBG program. Of that total, approximately 78 percent or \$33 million will be automatically distributed by the DOE to 20 cities, 10 counties, and two Native American Tribes, based on a population-related formulaⁱ.



The Governor's Energy Office (GEO) is responsible for allocating the remaining \$9.5 million for statewide energy efficiency programs and projects. At least 60 percent of this funding, \$5.7 million must be distributed to cities and counties that did not receive a direct allocation of EECBG funding from the DOE. ***Funding made available through GEO will be used specifically for regional efforts in small rural and mountain communities.*** This document speaks specifically to these dollars.

OBJECTIVES

The objective of the GEO EECBG strategy is to provide rural Colorado with improved access to New Energy Economy opportunities. The New Energy Economy embraces energy conservation as an important component in our energy future, includes a broader mission to expand renewable and clean energy resources, and seeks opportunities to improve the state's economy, environment, and energy independence. The guiding principles of the GEO EECBG program include an emphasis on energy efficiency and conservation as the cheapest, fastest, and most effective way to reduce energy consumption and improve the reliability of energy delivery. To ensure that the benefits of the EECBG funding are sustained beyond the ARRA's three-year time period, the GEO strategy is directed at building capacity and programs, rather than one-time project grants.

EXPECTED OUTCOMES

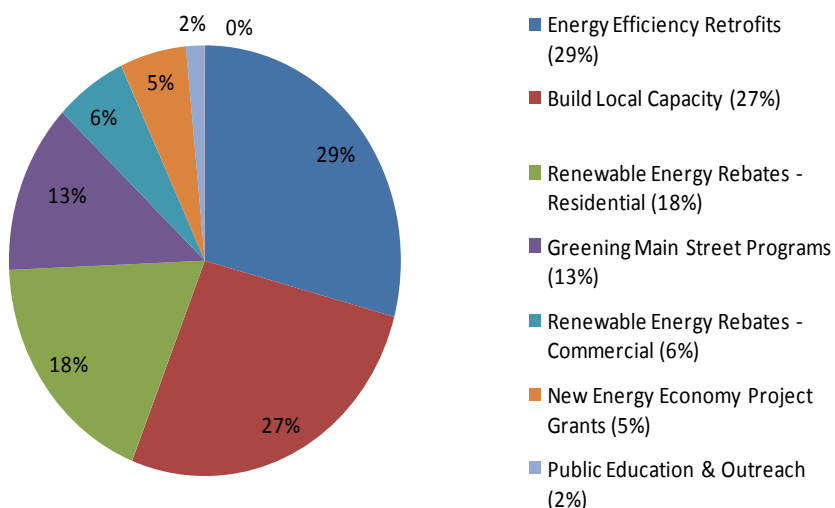
Colorado's EECBG investment is expected to save or retain more than 100 jobs and provide EECBG funding in all 64 Colorado counties.

EECBG funded programs and projects will link energy efficiency efforts to long-term economic development and community stabilization priorities, maximize energy savings benefits that will continue beyond the funding period, and emphasize transparency and accountability.

In addition to EECBG funding, small local governments will have access to funding available through GEO's State Energy Program (SEP). The details regarding SEP distribution have not yet been finalized. Please visit www.colorado.gov/energy for more information.

The remainder of this narrative represents the Colorado EECBG plan as submitted to the DOE on June 25, 2009. As of publication of this document on July 24th, 2009, this plan had not been approved by the DOE, and is subject to change.

Total GEO EECBG Funds \$9,593,500



PROGRAM DESCRIPTIONS

Energy Efficiency and Conservation Strategy Development.....\$2,580,452

Eligible Applicants: Local government agencies within counties that did not receive a formulaic grant directly from DOE, or non-profit organizations with an established, ongoing local presence in those communities.

Beneficiaries: Communities.

Through the existing **New Energy Community Initiative program**, the GEO will distribute EECSBG funding for the benefit of Coloradoans residing in the 52 counties across the state that do not receive EECSBG funds directly from the DOE. Funds will be granted to one non-profit, city or county, within a geographic boundary, to be known as the **New Energy Community Partners (NEC Partners)**, who agrees to lead the efforts of multiple communities located within that geographic boundary. The GEO will determine the geographic boundary.

The NEC Partners will employ a community energy manager to develop and facilitate the implementation of a regional Energy Efficiency and Conservation Strategy (EECS). It is expected that a local advisory group, comprised of community stakeholders, will provide input in the EECS development and contribute to decisions regarding its implementation.

To ensure the success of the regional initiative, the GEO will provide ongoing training, technical assistance, and tools. In addition to GEO resources, it is expected that the community energy manager will draw upon the expertise of local utilities, cities, counties, state and federal agencies, and other regional partners. The EECS may include a variety of community initiatives, including the following:

- Green jobs development and local energy-related business development
- Strategies to reduce energy consumption in public buildings
- Strategies to reduce residential and commercial energy consumption
- Identify opportunities to reduce the energy-related impacts of transportation
- Identify and explore residential, commercial, and utility scale renewable energy opportunities
- Develop recycling, composting, or other material conservation programs
- Identify opportunities for water conservation and development of building energy codes

The community energy manager will provide general coordination of community efforts to reduce fossil fuel emissions in a manner that is environmentally sustainable and will meet quarterly with GEO to review progress, determine next steps, and modify work plans.

Commercial Building Energy Efficiency.....\$1,218,048

Eligible Applicants: NEC Partners (see description above) from counties that did not receive a formulaic grant from DOE can apply to the Governor's Energy Office directly for an allocation to their region. Local government agencies that received formulaic EECBG grants may also apply with matching funds – limited to \$600,000 in total.

Beneficiaries: Individual businesses or building owners will receive cash rebates through incentives created by this program. Benefits to communities include local job creation, reduced energy costs, environmental benefits.

Funding for commercial building energy efficiency projects will be made available through the GEO's Greening Main Street Program. The Main Street Program will offer technical assistance, energy use evaluation, and project management services to small commercial building owners. The initiative also includes funding for a community recognition program to increase public awareness and encourage and support downtown businesses by acknowledging their energy and resource conservation efforts.

The GEO will also provide energy efficiency assistance and tools to funded projects and will coordinate with partners who provide funding for and support of energy retrofits and other restorative projects. These partners include utility providers, businesses, banks, economic development groups, the State Historical Fund, the Colorado Department of Local Affairs (DOLA), and the U.S. Department of Agriculture.

Utility incentives will be promoted when available and building owners will be made aware of federal tax incentives for energy efficiency retrofits.

Residential Energy Efficiency.....\$2,800,000

Eligible Applicants: NEC Partners (see description above) from counties that did not receive a formulaic grant from DOE can apply to the Governor's Energy Office directly for an allocation to their region. Local government agencies that received formulaic EECBG grants may also apply with matching funds – limited to \$600,000 in total.

Beneficiaries: Individual homeowners will receive cash rebates through incentives created by this program. Benefits to communities include local job creation, reduced energy costs, environmental benefits.

To advance energy efficiency in existing homes across the state, the GEO will allocate EECBG funding to provide incentives to homeowners, which will encourage whole house assessments and tune-ups and educate Coloradans regarding home energy use and management. The GEO will work with Colorado utility companies to establish a collaborative administration process where complementary utility rebates are available. EECBG funds will be used to supplement, but not to supplant, utility rebates. Eligible rebates may include the cost of an energy audit, attic insulation, air sealing, and high-efficiency furnace replacement.

Education and Outreach..... \$150,000

Eligible Applicants: Only NEC Partners (see description above) from counties that did not receive a formulaic grant from DOE can apply to the Governor's Energy Office for an allocation to their region.

Beneficiaries: Communities.

The GEO will allocate EECSBG funds to increase consumer understanding of energy efficiency and to help residents and businesses make more informed energy choices. The GEO will engage local champions throughout the state to optimize and leverage local education and outreach strategies by providing funding and materials. Funding can be used to hold and promote education-based workshops, home tours, house meetings, seminars, events etc. in local communities. The GEO will supply curriculum and marketing materials and funding for use of these materials at the local level.

Renewable Energy Rebates....Residential Sector \$1,750,000Commercial Sector \$570,000

Eligible Applicants NEC Partners (see description above) from counties that did not receive a formulaic grant from DOE can apply to the Governor's Energy Office for an allocation to their region. Local government agencies that received formulaic EECSBG grants may also apply with matching funds – limited to \$300,000 in total.

Beneficiaries: Homeowners and building owners will receive cash rebates through incentives created by this program. Benefits communities include local job creation, reduced energy costs, environmental benefits.

This program will provide incentives to residents and businesses to incorporate on-site renewable technology. As a participant in the above-referenced efficiency program, rebates will be limited to consumers who have taken steps to improve energy efficiency in their homes or buildings. Utility incentives will be promoted when available, and building owners will be made aware of federal tax incentives for renewable energy technologies.

The GEO renewable energy rebates may include:

- Propane switch-out
- Transpired Solar/Air pre-heat systems/batch air heating systems
- Solar domestic hot water
- Residential domestic hot water
- Residential Solar PV
- Small wind
- Geothermal, hydro, biomass, and commercial PV proposals will be evaluated based on cost effectiveness and fossil fuel displacement

New Energy Economy Project Grants.....\$525,000

Eligible Applicants: Local government agencies within counties that did not receive a formulaic grant from DOE. Cities, towns, counties, and municipal/special districts are eligible applicants.

Beneficiaries: Small local governments. Benefits communities include local job creation, reduced energy costs, environmental benefits.

This program will provide funds for public energy efficiency retrofits or renewable energy projects, street lighting, and materials conservation programs. Applicants will be evaluated by a scoring committee based on the following criteria: jobs created, energy saved, greenhouse gas emissions reduced, and energy cost savings.

ⁱ \$24.7 million will be distributed automatically from the U.S. Department of Energy to the following cities: Arvada, Aurora, Boulder, Broomfield, Castle Rock, Centennial, Colorado Springs, Commerce City, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Littleton, Longmont, Loveland, Parker, Pueblo, Thornton, Westminster. \$8.2 million will be distributed automatically from the U.S. Department of Energy to the following counties: Adams, Arapahoe, Boulder, Douglas, El Paso, Garfield, Jefferson, Larimer, Mesa, and Weld. \$146,900 will be distributed automatically from the U.S. Department of Energy to the Southern Ute and Mountain Ute Tribes from.